

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 INT-08 SCEM-02 TRSE-00 SS-20

PA-04 PRS-01 USIA-15 CIAE-00 INR-10 NSAE-00 RSC-01

COME-00 L-03 FPC-01 DRC-01 /094 W

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R 211440Z DEC 73

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 5881

INFO AMEMBASSY CARACAS

UNCLAS PORT OF SPAIN 1664

E.O. 11652: N/A

TAGS: ENRG TD

SUBJ: GOTT CALLS FOR BIDS FOR PETROLEUM EXPLOITATION
OF 1.5 MILLION OFFSHORE ACRES

REF: POS A-106, 11/21/72; POS A-34, 3/28/72

1. PETROLEUM MINISTER PREVATT ON DECEMBER 19 ANNOUNCED THAT THE GOTT IS CALLING FOR BIDS FOR PETROLEUM EXPLOITATION OF SIX BLOCKS OF OFFSHORE AREAS TOTALLING SOME 1.5 MILLION ACRES. PREVATT SAID THAT 26 COMPANIES HAVE ALREADY MET A PRECONDITION BY PURCHASING SEISMIC DATA (AT \$40,000 PER COPY) FOR THESE AREAS FROM THE HOUSTON-BASED DELTA EXPLORATION COMPANY, WHICH PERFORMED A SEISMIC SURVEY FOR THE GOTT (SEE REPAIRS). ONE BLOCK IS LOCATED IN THE GULF OF PARIA OFF TRINIDAD'S WESTERN COAST, WHILE THE OTHER FIVE SURROUND AN AREA NOW LARGELY HELD BY AMOCO (WHEREIN SUBSTANTIAL RESERVES OF PETROLEUM AND NATURAL GAS HAVE ALREADY BEEN PROVEN) OFF THE EASTERN COAST OF TRINIDAD. SOME AREAS EXTEND TO A DEPTH OF 2000 FEET, MARKING THE FIRST TIME THAT CONCESSIONS HAVE BEEN OFFERED BEYOND THE 600-FOOT LINE.

2. THE MINISTER ALSO ANNOUNCED THAT BIDS WILL BE SUBJECT TO NEW CONDITIONS DESIGNED TO PRODUCE GREATER REVENUE FOR
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THE GOTT. COMPANIES SUBMITTING BIDS MAY SPECIFY THEIR
CHOICE OF EITHER OR BOTH OF THESE CONDITIONS--PRODUCTION

SHARING ARRANGEMENTS OR A CONVENTIONAL CONCESSION AGREEMENT INCLUDING A "CARRIED PARTICIPATION" OF UP TO 35 PERCENT FOR THE GOTT. THESE NEW STIPULATIONS MEAN, ACCORDING TO PREVATT, THAT "BASICALLY THE COMPANY ASSUMES THE COSTS AND RISKS OF EXPLORATION AND DEVELOPMENT, AND THE REVENUE PRODUCED IS SHARED WITH THE GOVERNMENT AND, OR, ITS AGENT IN AGREED PROPORTIONS." GOTT, WHICH HAS SEVERAL TIMES DELAYED CALLING FOR BIDS SINCE SEISMIC REPORT WAS COMPLETED IN MID-1972, SAID THAT WORLD TRENDS IN PETROLEUM LEGISLATION LED IT TO CONCLUDE THAT THE TIME IS NOW OPPORTUNE TO INVITE COMPANIES TO BID SUBJECT TO PRODUCTION SHARING CONTRACTS AS AN ALTERNATIVE TO PRESENT CONCESSION TYPE LICENSE.

3. BID CONDITIONS ARE TO BE PUBLISHED IN OFFICIAL GAZETTE. AIRGRAM FOLLOWS WITH FURTHER COMMENT AND TEXT OF REGULATIONS. MARSHALL

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Message Attributes

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Draft Date: 21 DEC 1973
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Disposition Event:
Disposition History: n/a
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